Argentina

FOREIGN MARKET DEVELOPMENT SECTION

RESEARCH BRANCH

TRADE AND INDUSTRY DIVISION

ONTARIO DEPARTMENT OF TRADE AND DEVELOPMENT

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FOREIGN MARKET STUDY

ARGENTINA

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F O R E W O R D

Export Marketing research is a subject of considerable interest to our Department, to Ontario manufacturers and to businessmen who are or who may be interested in exports. The Foreign Market Studies which are undertaken by our Section, are written for use by our Trade and Industry Division, and specifically by our Marketing Branch and Trade Mission members. These studies depict the economic background of the countries that will be visited. For this reason our Foreign Market Studies are working documents designed for the use of the Department and cannot be taken either explicitly or implicitly as expressing the opinion or position of the Department of Trade and Development.

Equivalents of metric, Imperial and U.S. units of measure

Metric Units	Imperial and U.S. Equivalents		Imperial and U.S. Units	Metric Equivalents	
Length -					
1 centimetre (cm)..........	0.394	inch	1 inch............................	2.540	cm
1 metre (m)................	3.281	feet	1 foot............................	30.480	cm
	1.094	yard	1 yard............................	0.914	m
1 kilometre (km)...........	0.621	mile	1 mile............................	1609.344	m
	0.539	int. naut. mile	1 International nautical mile.....	1852.000	m
Area -					
1 square centimetre - cm^2..	0.155	square inch	1 square inch.....................	6.451	cm^2
1 square metre - m^2........	10.764	square feet	1 square foot.....................	9.290	dm^2
	1.196	square yard	1 square yard.....................	0.836	m^2
1 hectare - ha.............	2.471	acres	1 acre............................	0.405	ha
1 square kilometre - km^2...	0.386	square mile	1 square mile.....................	2.589	km^2
Volume -					
1 cubic centimetre - cm^3...	0.061	cubic inch	1 cubic inch......................	16.387	cm^3
1 cubic metre - m^3.........	35.315	cubic feet	1 cubic foot......................	28.317	dm^3
	1.308	cubic yard	1 cubic yard......................	0.765	m^3
Capacity -					
1 litre (L)................	0.879	Imp. quart	1 Imperial British quart..........	1.136	L
	1.057	U.S. liq. quart	1 U.S. liquid quart...............	0.946	L
	0.908	U.S. dry quart	1 U.S. dry quart..................	1.101	L
1 hectolitre (HL)..........	21.997	Imp. gallons	1 Imperial gallon.................	4.546	L
	26.417	U.S. gallons	1 U.S. gallon.....................	3.785	L
	2.749	Imp. bushels	1 Imperial bushel.................	36.369	L
	2.838	U.S. bushels	1 U.S. bushel.....................	35.239	L
Weight or Mass -					
1 kilogramme (kg)..........	35.274	av. ounces	1 av. ounce.......................	28.349	g
	32.151	troy ounces	1 troy ounce......................	31.103	g
	2.205	av. pounds	1 av. pound.......................	453.592	g
			1 centerweight (100 lb.)..........	45.359	kg
			1 hundredweight (112 lb.).........	50.802	kg
1 ton -	1.102	short tons	1 short ton.......................	0.907	t
	0.984	long tons	1 long ton........................	1.016	t

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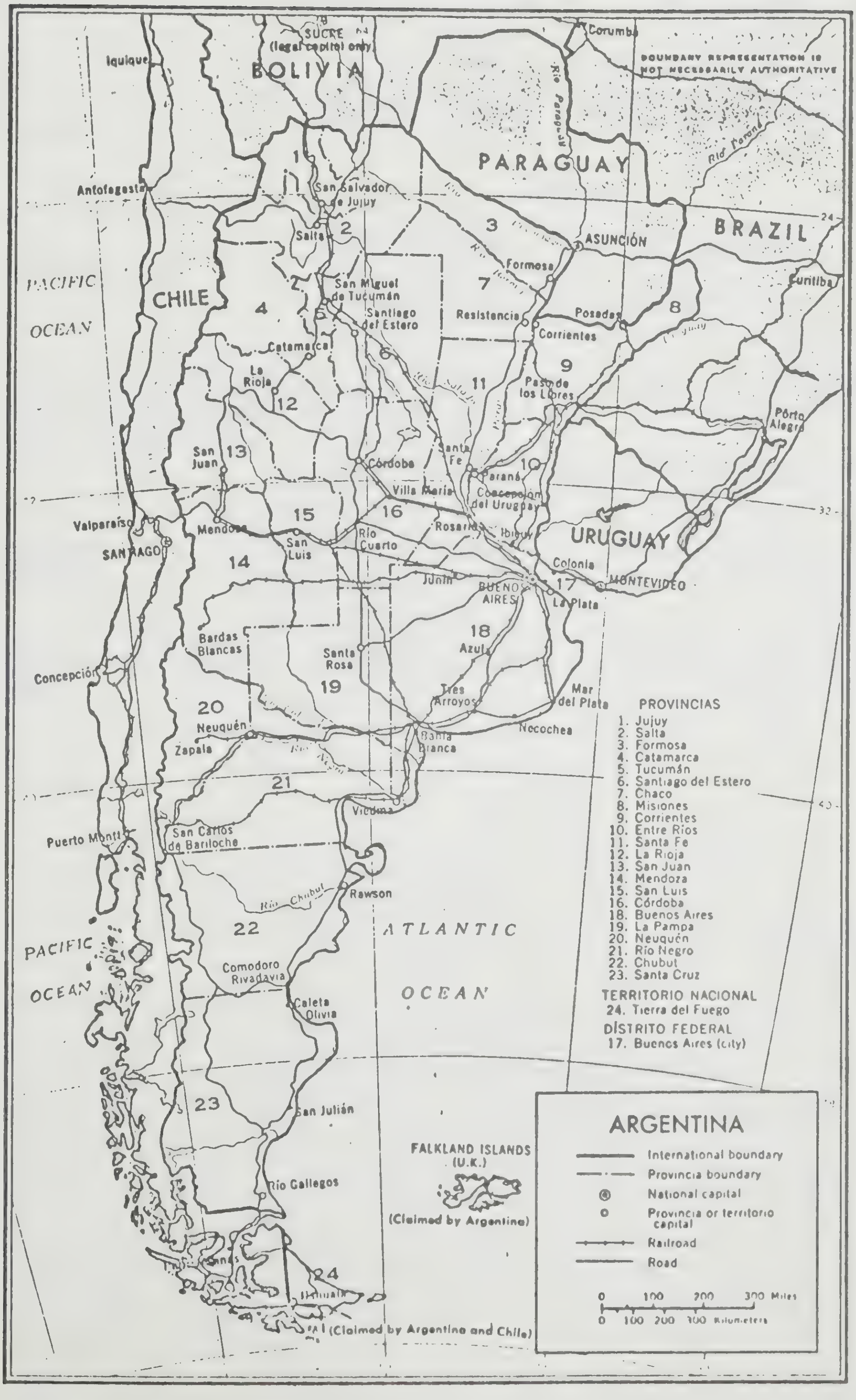
Statistical Data

ARGENTINA


BOUNDARY REPRESENTATION IS NOT NECESSARILY AUTHORITATIVE
SUCRE (legal capital only)
BOLIVIA
PARAGUAY
BRAZIL
CHILE
URUGUAY
PACIFIC OCEAN
ATLANTIC OCEAN
Iquique
Antofagasta
Corumbá
ASUNCIÓN
San Salvador de Jujuy
Salta
San Miguel de Tucumán
Santiago del Estero
Catamarca
La Rioja
Formosa
Resistencia
Corrientes
Posadas
Curitiba
Pôrto Alegre
Paso de los Libres
San Juan
Córdoba
Santa Fe
Paraná
Concepción del Uruguay
Villa María
Valparaíso
SANTIAGO
Mendoza
San Luis
Río Cuarto
Rosario
Colonia
MONTEVIDEO
Junín
BUENOS AIRES
La Plata
Bardas Blancas
Santa Rosa
Azul
Tres Arroyos
Mar del Plata
Necochea
Bahía Blanca
Concepción
Neuquén
Zapala
Viedma
Puerto Montt
San Carlos de Bariloche
Rawson
Río Chubut
Comodoro Rivadavia
Caleta Olivia
San Julián
Río Gallegos
Ushuaia
FALKLAND ISLANDS (U.K.)
(Claimed by Argentina)
(Claimed by Argentina and Chile)
PROVINCIAS
1. Jujuy
2. Salta
3. Formosa
4. Catamarca
5. Tucumán
6. Santiago del Estero
7. Chaco
8. Misiones
9. Corrientes
10. Entre Ríos
11. Santa Fe
12. La Rioja
13. San Juan
14. Mendoza
15. San Luis
16. Córdoba
18. Buenos Aires
19. La Pampa
20. Neuquén
21. Río Negro
22. Chubut
23. Santa Cruz
TERRITORIO NACIONAL
24. Tierra del Fuego
DISTRITO FEDERAL
17. Buenos Aires (city)
ARGENTINA
International boundary
Provincia boundary
National capital
Provincia or territorio capital
Railroad
Road
0 100 200 300 Miles
0 100 200 300 Kilometers

MARKET INDICATORS

	Argentina	Canada
1. Population (1969)	23.4 million	21.1 million
2. GNP (1969)		
Total	$15.4 billion	$78 billion
Per Capita	$720	$3,700
3. Passenger cars in use (1969)	1.2 million	6.2 million
Telephones in use (1968)	1.6 million	8.4 million
4. Steel production (1969)	2.1 million tons	10 million tons
Cement production (1969)	4.2 million tons	7.4 million tons
Electricity production Total	15.9 billion kwh	190 billion kwh
5. Total exports	$1.7 billion	$15.0 billion
Total imports	$1.3 billion	$14.2 billion
6. International liquidity (June 1970)	US$681 million	US$4.3 billion

INTRODUCTION

During 1969, the Argentine economy grew very fast. This high rate of growth was reflected in greatly expanded foreign trade and low industrial unemployment. With restraint on credit and wages, the Government has been able thus far to prevent a serious wage-price spiral from developing. It has also succeeded in curbing the galloping inflation which had been a feature of the Argentine economy for some 20 years. A major cause of Argentinian inflation was the failure of food production to keep pace with the growth in purchasing power which resulted from industrialisation and the redistribution of incomes.

Meat and grain have formed the basis of Argentinian power and prosperity. Argentina possesses some of the best agricultural land in the world. However, the expansion of farm output must depend more on increasing productivity of land already in production, especially in areas with low levels of development, than on incorporating new land into production. For this reason, the Government of Argentina is placing high priority on programmes which foster technological changes in this sector.

It is customary to think of Argentina as an essentially arable and pastoral country. That was true some 50 years ago when approximately 75% of the working population was engaged in agriculture. In 1960 (last census) only 19% of the labour force was employed in agriculture. At the beginning of this century, apart from some food-processing industries and one or two manufacturers, there was little industrial development. By 1951, 60% of Argentina's productive wealth was industrial. Today, Argentina is practically self-sufficient in textiles; Argentina also produces all the cement it needs. Such light industries as electrical equipment, aluminium ware, soap-making, paper-making, plastics, glass, footwear and furniture, are all well advanced and expanding.

Argentina is not rich in mineral resources. Oil and natural gas provide the bulk of Argentina's energy. Other minerals produced include sulphur and tin, areas in the Andean zones are to be prospected for copper, and aluminium production is scheduled to begin in January 1971, with a plant to be located at Puerto Madryn.

The over-valuation of the Peso, which had been developing since 1964 was arrested in 1967, first by a devaluation of 28.6% and shortly after the exchange value was established at 350 Pesos = US$1. Recently the Peso was again devalued by 14.28% and it is now 400 Pesos = US$1. The effects of devaluation have been minimized by the raising of export taxes and a reduction in import taxes in such a way as to exactly compensate for the parity changes.

In the National Development Plan, 1970-1974, top priority was assigned to export expansion, giving special emphasis to the export of manufactured goods - including processed agricultural products. Imports are expected to grow by only 10% during the

five year period, to US$1.7 billion in 1974 and to consist mainly of raw materials and capital goods.

Protection of domestic industry rules out many exports, and a long term view, with the possibility of local manufacture must be taken on many engineering projects. However, despite the protection given to local industry, there are opportunities for imports of products of the same type, provided these offer real advantages.

GENERAL INFORMATION

1. Geography and Climate

With an area of 1,072,750 square miles, and a population of 23,376,000 million, Argentina is the eighth largest country in the world and the second largest in area and population in South America.

Argentina has considerable topographic and climatic diversity, and these differences are reflected in the unequal settlement, development, and land utilisation of the country.

About two-thirds of the area of the country is a plain which extends from the Atlantic coastline to the foothills of the Andean mountains bordering Chile. The plain consists of three distinct areas. The northern section is a scrub forest area which is hot, humid and rainy in summer, and dry in winter. The southern section is a vast plateau of arid steppes, consisting of deep, broad valleys between high cliffs. Between these two extremes is the treeless and grassy pampa of approximately 250,000 square miles.

The capital of Argentina is Buenos Aires. Greater Buenos Aires, which includes the Federal Capital and satelite cities, had in 1969 about 8.1 million inhabitants and accounted for 35% of the total population.* Substantially all major industry is located in and around Buenos Aires. This area has the greatest economic capacity in the country and it is estimated that it contributes approximately 40% of the total national spending power.

The other important marketing centres are Rosario (750,000), Cordova (846,000), Tucuman (290,000), Santa Fe (260,000), Bahia Blanca (150,000), and Mendoza (250,000). The chief ports are Buenos Aires, Rosario, La Plata, Bahia Blanca, Puerto Madryn, Comodoro, Rivadavia, Puerto Deseado, Puerto San Julian and Rio Gallegos.

Argentina has only one free port, Ushuaia. Due to the fact that it is situated in the extreme south of Tierra del Fuego, it serves no industrial purpose.

The climate is temperate throughout most of the country; subtropical in the north and cold in the extreme south. The seasons are the reverse of those in Canada. The mean temperature on the Pampas ranges from 40°F in June to about 74°F in January; in the Argentine Mesopotamia from 55°F to 80°F; the Rio Negro Valley in Patagonia has a mean temperature between 45°F and 48°F in winter and 66°F and 72°F in summer.

Note: *Buenos Aires - Capital population was (1969) 5.9 million.

2. Human Resources

The population of Argentina was estimated at 23.4 million in 1969 with demographic growth rate of 1.6%. In accordance with this growth rate, Argentina's population would reach 27.6 million by 1980. The people of Argentina are preponderantly of European origin, and the majority are first- or second-generation settlers. Practically every European nation has contributed its quota to the ethnic make-up of Argentina, but the major origins are Italians, Spaniards, Germans, and Slavs; there is a good sprinkling of British stock. Assimilation is by no means complete and only time will weld them all into a homogeneous national body. The dwindling Indian population is estimated at from 20,000 to 30,000. Immigration is restricted to white persons, exception being made for the relatives of non-white persons (Japanese, etc.) already resident. There were 966,000 immigrants in 1965. This was almost offset by 940,000 emigrants.

73.7% of the population is urban (1960). 40% live in cities of over 100,000. The urban growth is 2.8%. Argentina has been faced in recent years with an undersupply of rural workers, who have had to be replaced with seasonal immigrants.

The per capita income in 1968 was $635. Average annual increase in per capita income from 1950 to 1964 barely exceeded 1%. Most of the national income originates in the Pampas, including greater Buenos Aires. Average income of the upper stratum compared with the economically less privileged, appears closer to that commonly found in the developed countries, rather than in the rest of Latin America.

As of the 1960 census the labour force was about 7.5 million, of which:

25%	Manufacturing
19%	Agricultural
20%	Services including Government
12%	Commerce
6%	Transport, storage and communication
6%	Construction
1%	Utilities
1%	Mining

From 1950 to 1963, employment in agriculture decreased by over 30% and increased in manufacturing by 15%, in transport by 10%, and in unidentified services by 25%. Skilled labour is in short supply at times. Most workers are trained on the job. Unemployment has been a serious problem and was estimated at 6% of the labour force in 1965.

The language of Argentina is Spanish but English is spoken by limited but growing segments of the population. Sales literature in Spanish is an essential. Argentina has the highest literacy rate in Latin America, amounting to 91.6% of the population over fourteen years of age in 1960.

Argentina is highly literate and there are no racial problems. It has all the human resources required for rapid development towards a rich and contented society.

3. Constitution and Government

Argentina has a federal, republican form of government. When the constitution is in force, Congress consists of a Senate and a Chamber of Deputies. The president is the executive head of government and appoints the cabinet.

The country is divided into a Federal Capital district, which is the city of Buenos Aires, twenty-two Provinces and the National territory of Tierra del Fuego. The Central Government deals with such matters as affect the State as a whole but the Provinces have extensive powers in internal matters. A separation of the executive, legislative and judicial branches is provided for on the national and provincial levels, but in actual practice the executive has wielded more authority than the other branches.

The Supreme Court of seven members appointed by the President functions as an independent organ of Government. Each province has its own court system in addition to the national system.

The army leaders, supported by the Navy and Air Force, staged a coup d'etat on June 27, 1966. The provincial governors were dismissed and the national and provincial legislatures dissolved, as were all political parties. The Military Junta appointed the Army Lieutenant General Ongania as President. The previous Constitution remained in force insofar as it was consistent with the statutes and objectives of the Revolution.

Recently (June 1970), the Military Junta dismissed General Ongania as president and appointed General Roberto Levingstone as its new President.

Under the Statute of the Revolution, the President is appointed by the Revolutionary Junta. The President exercises all legislative powers granted by the Constitution to Congress, and appoints Provincial Governors, who assume the powers granted by the provincial constitutions to the executive and legislative branches. He also appoints all justices, but the independence of the judiciary is guaranteed. All officials must swear to uphold the Statute of the Revolutions as well as the Constitution.

The present Government has indicated its intention to remain in power for such time as it deems necessary to provide sufficient economic progress and political stability to permit the return of normal political activity.

STRUCTURE OF THE ECONOMY

1. General

An examination of economic trends in Argentina over a long period reveals a substantial shift in the pattern of production, with the primary sector gradually losing its relative importance. This shift, along with the process of urbanization, was reflected in the structure of employment.

The Argentinian economy is based on private economy and free enterprise. However, the Argentinian Government owns the railroads, most power installations, the telephone service, the natural gas company (Gas del Estado), the petroleum company (Yacimientos Petroliferos Fiscales - Y.P.F.) and a coal mine, Yacimientos Carboniferos Fiscales. Some important factories are managed by the army. The railroad accounts for about one-half of the deficit in the Argentinian budget each year.

The GNP for 1968 totalled $15.4 billion, an increase of 4.8% over 1967. The per capita GNP during 1968 was estimated at about $720, only a slight increase over 1967. Total gross fixed investment rose in 1969 by nearly 16% and total consumption by 5%. Construction activity expanded by nearly 14%, due mainly to increased public investment.

Repeated budget deficits financed largely by the Central Bank have been a major inflationary factor. The operating deficits and capital needs of state enterprises, notably the railways, are principally responsible. However, during recent years the budget deficit was reduced from 96 billion pesos in 1967 to 68.6 billion pesos in 1968 and 48 billion in 1969.

The trend toward economic stability and growth, increased the inflow of foreign credits and investment, and accelerated the return of domestic capital from abroad.

From 1961-1968, the Inter-American Bank has extended forty-six loans to Argentina, totalling $376.7 million for various development projects. The total cost of the projects was $1,182.6 million. These projects include: farm mechanization, irrigation and colonization projects, expansion of the existing power system in various cities and the rural electrification program; direct financing of projects in the fields of fertilizers, petrochemicals, automotive parts, construction materials, chipboard, specialty papers and cardboards, and citrus fruit and meat processing; modernization of grain elevators in six ports, and construction of major segments of the national highway system; improvement in the water supply systems and financing of a national housing program; and equipment for educational purposes.

2. Agriculture, Fishery and Forestry

Argentina has an area of about 670,251,000 acres, of which 41% is pasture land, 32% woodland and 11% cultivated.

Argentina is primarily an agricultural country and her prosperity rests on livestock, wool and cereals. Meat production is geared to the needs of Western Europe. Although farming accounts for only about 17% of GNP it embraces 90% of exports earnings and 19% of its employed labour force.

As a result of Argentina's considerable range of climatic conditions, which vary from tropical to sub-arctic, it produces a correspondingly wide range of crops, among them being rice, sugar, tobacco, cotton, ground-nuts, oranges, grapes, pears, linseed, maize, wheat, barley, oats and rye. Moreover, different kinds of pasture enable Argentina to raise large numbers of cattle, sheep, goats and pigs.

About 85% of Argentina's crop and livestock exports come from the pampas area, extending for 300 or 400 miles around Buenos Aires and enjoying a climate ideally suited both to grain production and cattle raising. The remainder of the country produces mainly for home consumption.

Area sown and production of selected agricultural products in Argentina, 1965-1966 to 1968-1969, were as follows:

Crops	Area Sown ('000 hectares)				Production ('000 metric tons)			
	1965-66*	1966-67*	1966-67*	1968-69*	1965-66*	1967-68*	1967-68*	1968-69*
Wheat	5,426	6,291	6,613	6,680	5,400	6,247	7,320	5,740
Maize	3,921	4,194	4,473	4,604	7,040	8,510	6,560	6,900
Oats	1,117	1,143	1,193	1,299	480	540	690	490
Barley	909	919	882	1,011	404	442	588	556
Rye	2,136	2,285	2,286	2,500	245	270	352	360
Linseed	1,294	924	711	878	570	577	385	510
Sunflower	1,181	1,366	1,194	1,354	782	1,120	940	876
Cotton	540	360	319	426	370	270	220	304
Sugar Cane	277	233	195	196	11,960	8,576	9,470	9,800
Rice	56	68	80	96	165	213	283	345
Millet	231	257	288	285	186	224	229	195
Tobacco	63	65	67	62	42	63	59	52

Source: The Europa Year Book

The area of land sown to crops has decreased over the last thirty years. Argentina's share of the international wheat market which was about 18% in 1930 has now dropped to about 10%. Productivity in agriculture has increased slowly and rising domestic consumption has cut into the surplus available for exports.

In 1967 Argentina was the world's third largest producer of wine, and export markets are now being sought in the United Kingdom and the United States.

Livestock, 1965-1966, in Argentina was as follows: (thousand head)

Cattle	47,000
Pigs	4,000
Sheep	46,000
Horses	3,780

Source: U.N. Statistical Yearbook

Most of the cattle herds are concentrated in the Pampas region.

Livestock slaughterings and meat exports, 1965-1967, were as follows:

Year	Cattle Sold for Slaughter ('000 head)	Meat Exports (tons)
1965	7,124.0	502,200
1966	8,339.2	663,400
1967	9,721.1	696,700

Source: The Europa Yearbook

Although Argentina is Latin America's largest meat exporter, Argentina in the past decade has recorded a meat production growth rate of only 1% a year, a figure just one-third of that registered by the economy as a whole. A major obstacle to faster expansion in the livestock sector, which currently generates 15% to 20% of the country's gross domestic product, has been the widespread incidence of foot-and-mouth disease.

Wool production in 1967/68 was estimated at 194,000 tons.

In Argentina there is an urgent need to increase agricultural productivity as a means to increase exportable surpluses and to expand rural incomes and thus provide the internal market needed for continued industrial growth.

Forestry

Some 70 million hectares of forest land exist in Argentina. 3,180 million cubic meters are hard and mixed wood and about 15 million cubic meters are conifers.

Much of the wood is used for fuel. Argentina imports about 55% of its timber needs, excluding firewood and charcoal. The industry needs some additional investment and considerable modernization. A potential exists for several types of local fast maturing trees which can be used successfully with proper impregnation.

Note: 1 hectare = 2.471 acres
1 metric ton = 2,204.623 pounds

Argentina has been an important supplier of quebracho, but because of a shrinking world market and competition from wattle and synthetics, the industry may have trouble in marketing future production.

Production of roundwood (without bark) in Argentina in millions cubic meters, 1965-1967, was as follows:

	Coniferous	Broad leafed
1965	0.3	10.7
1966	0.4	12.0
1967	0.3	11.8

Source: Food and Agriculture Organization of the United Nations

Fishery

The fishing industry in Argentina is not important relative to the length of its coastline. Fish catches in Brazil, Chile and Peru are far ahead of Argentina. Fishing in Argentina 1967-1968, was as follows:

	1967	1968*
Sea Fish	183,401	170,506
Shell Fish	11,659	13,083
Freshwater Fish	13,114	11,116

Source: Europa Yearbook

The area around Mar del Plata is the centre of the industry, taking about 90% of the ocean catch. The Government has offered incentives to promote an integrated industry.

The fishing fleet has just over 50 ocean trawlers and about 350 launches, as well as 27 boats for coastal and river use.

3. Mining

Mineral deposits are numerous but generally small or difficult to reach. The main commercial exploitation is in petroleum, natural gas and coal. There are reserves of iron ore estimated at 200 million tons in Rio Negro, whose development with foreign capital assistance now seems probable. Iron ore production was 225,600 tons in 1967.

The production of selected minerals, 1967-1968 was as follows:

Mineral	Unit	1967*	1968*
Sulphur	tons	31,906	34,223
Tin	,,	3,987	3,250
Silver and Tin	,,	256	584
Asphalt	'ooo tons	—	—
Coal	,, ,,	410.8	472.3
Crude Petroleum	'ooo cu. metres	18,231.7	19,951

Source: Europa Yearbook

Total production of crude petroleum in 1969 amounted to 20.69 million cubic meters, compared with 19.95 million cubic meters in 1968. Natural gas is piped to Buenos Aires both from Comodoro Rivadavia and from the Campo Duran oilfields in Solta province. The only large coal deposits are in the Rio Turbro area in the extreme south-west of the mainland. The coal is of low grade. Reserves are estimated to be 450 million tons.

Mineral resources are the property of the Provinces (oil and gas of the State), regardless of the ownership of the land.

4. Industry

Argentina has a well developed industry, capable of producing almost anything for the domestic market. It imports only sophisticated capital goods and raw materials. The important problem is Argentina's ability to produce efficiently, without excessive protection, so that it can provide the domestic economy with a greater volume of goods at lower prices and also compete in international markets. Although many plants have been modernized, a large number need renovation and some industries need thorough revitalization.

In Argentina, manufacturing contributes over 35% of the Gross National Product. The quality of locally manufactured goods is competitive with that of imported items. However, pricewise domestic manufactured goods in many instances cannot compete with imports without the protection of tariffs. In some manufacturing branches the growth in recent years has been spectacular. The auto industry has grown in the past twelve years from nothing to an industry accounting for approximately 5% of Gross Domestic Product. Around 90% of each car is of domestic manufacture. Production of motor vehicles for the whole of 1969 reached 218,590 units, an increase of 15% over the 180,976 produced in 1968. The textile industry is well developed. Various branches of the machinery, metal fabricating and electrical appliance industries are producing for domestic as well as foreign markets. There has been rapid growth in the plastics, steel, engineering and chemical industries, and Argentina is now virtually self-sufficient in all consumer goods and many catagories of machinery.

The improvement in the economic climate in 1968 led to a general upturn in industrial production, which continued through 1969 at an accelerated rate. The general level of economic activity in Argentina is reflected in the country's growing steel production and consumption. Provisional figures for 1969 put production of raw steel and rolled steel goods at 1.7 million tons and 2.0 million tons respectively, compared with 1.6 million tons and 1.8 million tons in 1968. Pig iron production rose from 573,600 tons in 1968 to 580,600 tons in 1969.

The output of selected Argentinian industries, 1967-1968, was as follows:

Product	Unit	1967*	1968*
Yerba Maté	'000 tons	110.7	119.4
Casein	,, ,,	20.0	17.3
Washed Wool	,, ,,	61.3	68.3
Portland Cement	,, ,,	3,521.7	4,193.2
Quebracho Extract	,, ,,	119.2	122.6
Cotton Fibre	tons	84.5	73.9
Cellulose (Paper)	,,	94,745	125,626
Artificial Silk Yarn	,,	12,579.5	11,395.7
Diesel Oil	'000 cu. metres	1,361.3	1,423.8
Fuel Oil	,, ,,	8,431.2	8,615.3
Gas Oil	,, ,,	2,976.4	3,162.4
Kerosene	,, ,,	1,067.5	998.6
Beer	million litres	249.6	301.2
Cigarettes	millions	25,795.6	27,301.8

Source: The Europa Yearbook

Output of manufacturing industries in 1969 grew by more than 7%; within this group, large gains were registered in the production of machinery and equipment and in the motor vehicle industry. Steel output increased by 9%, reflecting the expansion in construction activity and increased production in the manufacturing sector.

Geographically the area of Greater Buenos Aires and La Plata is the most important manufacturing centre. This concentration of industries continues along the Parana to Rosario (second in importance) and still farther to San Lorenzo. Third in importance is the area around Cordoba which has the leading automotive production facilities and agricultural machinery industries. Important zinc and copper smelting plants, flour mills, and food industries are located in Santa Fe. Other areas of importance are Mendoza and Camahue with winery and fruit and vegetable production, Tucuman with sugar, Comodoro Rivadavia, Mendoza and Bahia Blanca with petroleum refineries and Mar del Plata with fish processing. The government has been promoting the industrieal development of the more remote areas.

The State is participating in Argentinian industry mostly through the military involving the Direccion General de Fabricaciones Militares which owns Argentina's largest steel producer. (SOMISA), has some chemical operations and various fabricating plants, light aircraft manufacturing and pick-up trucks.

5. Finance

a. The Monetary System

Due to constant inflationary pressures, the international value of the peso has fallen steadily. In October 1955, it was 18 pesos to the U.S. dollar. Today it is 400 pesos to U.S. dollar. On January 1, 1970, a new peso worth 100 old pesos, was introduced.

The unfavourable trend in current revenues, along with the very limited demand for government securities in the capital markets, led to a situation in which the public deficit was largely financed by the banking system. Recourse to bank financing was relatively small until 1961-1962, but began to increase in 1963 and covered 80% of the Treasury deficit in 1967; 57% in 1965 and 64% in 1966. External financing, negligible in 1962-1964, covered nearly 14% of the deficit in the next two years, the rest being financed with funds available from the decentralized agencies. The Treasury ended 1969 with a deficit of 472 million new pesos as against 498 million in 1968.

The overall balance of payments deficit of $276 million for 1961-1966 and payments on loans contracted to cover earlier balance of payments deficits, were financed with international reserves, which at the close of 1966 had diminished by $521 million to a negative balance of $165 million.

In 1969, despite the favourable trade balance of $70 million, Argentina had an adverse Balance of Payments totalling $203 million.

Argentina's international debt has been a serious burden in the balance of payments. At the end of 1965 the official debt was $2,356 million, of which $491.9 million was interest, with heavy payments due during the first few years (in millions: 1966 - $523.4, 1967 - $374.5; 1968 - $329.6; 1969 - $253.3). This does not include the large private debt or substantial settlements due several petroleum firms. About a quarter is owed to the United States, about ten percent to international lending agencies, and over half to Western Europe and Japan.

International Monetary Fund statistics show that Argentine gold and foreign currency reserves ended 1969 at $538 million, 29% down on the close of 1968 when the reserves stood at $760 million. The losses in foreign currency were the consequence of the flight of capital.

b. Banking and Insurance

The money market in Argentina is comprised of the banking system, the financial houses and a variety of miscellaneous lenders. 90-day money is the rule, and six-month money is rare. The main official control is exercised through the Central Bank.

In 1946, the Argentinian Government nationalized the Central Bank, originally an autonomous institution. The Central Bank whose operations are superivsed by the Ministry of Economy, discharges the normal functions of a central bank, including note issue and credit regulations and liquidity control in the banking system as a whole.

At the beginning of 1950, there were in Argentina 44 banks, each with capital of 1 million pesos or over, including the Banco de la Nacion, with 36% of total bank assets. The banking system consisted of nine provincial banks, 25 domestic banks and 10 foreign banks, all of which are shareholders in the Central Bank.

At the end of 1965, there were four Government banks with 460 branches, accounting for 28.7% of deposits and 43% of loans. The Bank of the Nation (Banco de la Nacion Argentina) dominated banking, with 23.4% of total deposits and 22.5% of total loans.

Recently, the Argentinian Government issued a decree tightening controls on sales of bank shares, as well as giving Argentinian-owned banks certain competitive advantages over the operations of foreign banks. Argentina permits foreign banks to install themselves in the country only if they "can promote financial and commercial relations with foreign countries".

The Superintendence of Insurance and the National Reinsurance Institute, supervise insurance. In 1964, there were 285 firms, including 170 Argentine corporations, 64 co-operatives or mutuals, six official and 45 subsidiaries or agents of foreign firms.

Insurance companies, because of their high reserve requirements, have not been an important source of commercial credit in recent years.

c. Investment

For many years the British were the principal foreign investors in Argentina. Their investment was especially oriented toward the meat industry, agriculture and railroads. The British also invested in municipal water and gas services. Today the second or third generation of British form an elite group of 'Anglo-Argentinians'.

U.S. investment appeared relatively late in Argentina. However, they soon took the leading investment position. Direct U.S. investment in Argentina increased from US$350 million in 1950 to $1 billion at the end of 1966, of which $652 million was in manufacturing, particularly oil companies.

After the anti-investment policies of the Ilia's Government in 1965, potential foreign investors mostly adopted a wait-and-see attitude. Recently, the investment climate has changed and investments again are coming to Argentina.

Total foreign investment in Argentina is estimated at US$2.5 billion. The U.S. and British foreign investments in Argentina are followed by French, Belgian and Swiss investments.

The recent climate for foreign investment is good. The present Government is making significant efforts to attract foreign investment. To encourage internal and external investment, Argentina introduced incentives in some industries by the lowering or elimination of taxes and changes in important duties on capital goods.

In public investment, greater emphasis is placed on the production of power and fuels; the construction of sanitation facilities; housing and roads; port improvements and projects for the steel, pulp and paper and petrochemical industries.

Government authorizations for foreign private investment projects doubled in 1968, reaching a total of US$153 million as compared with $90 million in 1967, $39 million in 1966, and $24 million in 1965.

Argentina recognises that foreign investment can play a very important role in increasing its rate of development by supplying capital, technology, managerial skills and access to markets. Therefore the government has implemented a very clear policy of encouraging the flow of foreign capital into Argentina. It is interesing that the Argentinian Government now considers undesirable the acquisition of existing domestic firms by foreign companies. Argentina has preferences for joint foreign-domestic ventures. It allows foreign investors to repatriate net annual profits without hindrance, at the free market rate of exchange.

6. Utilities

a. Energy

According to statistical data of the U.N. Economic Commission for Latin America, the production of electric energy in 1966 was 15,970 million Kwh or 6,426 million Kwh more than in 1959. There was also a significant increase in energy consumption. Energy consumption increased from 24.75 million metric tons of coal equivalent in 1963 to 32.08 million in 1967.

The Government dominates the energy field and controls fuel and energy prices. All hydrocarbons and nuclear minerals are the property of the State, and coal is virtually a monopoly.

The main producers are the state entity Agua y Energia, SEGBA, which is autonomous although the government now owns the share capital, and the Compania Italo-Argentina de Electricidad. Hydro-electric power accounts for approximately 9% of production.

Several hydro-electric projects are under construction, the most important being the Chocon-Cerros Colorados scheme which will cost some $421 million and is due for completion in 1978. Two power stations are planned with an installed capacity of 1.65 million KW.

The Argentine Energy Commission has already taken steps to establish atomic power plants with a capacity of 2,500 mw by 1980. A contract has been given to the German company Siemens, to build a power plant at Atucha. Uranium and thorium deposits claimed to be extensive, are being exploited and refined, though presently on a small scale.

Nominal voltage available is 220/380 A.C., 50 cycle, 1 and 3 phase or 220/440 D.C.

b. Transportation

Argentina has one of the most highly developed transportation systems in Latin America. There are 124,900 miles of highways, of which 13,700 miles are hard surfaced.

Argentina's transport network is concentrated in the Provinces of Buenos Aires, Santa Fe, Cordoba, San Luis and Entre Rios. Railways connect Argentina with its neighbours, Chile, Bolivia and Paraguay.

In 1948, Argentina became the owner of its entire railway system, consisting of 18 different railways with a total length of 42,193 Km. Until nationalization, the railways belonged mostly to the British and French.

Goods traffic on the railways is declining. Net ton-kilometres at Argentinian Railways had decreased from 15,016 million in 1953 to 12,913 million in 1968. Passenger kilometres rose from 13,564 million passenger-kilometres in 1953 to 14,089 million in 1968.

The condition of the railways, which are state-owned, is very poor. Obsolete equipment, bad management, inefficient labour and massive over-staffing, are resulting in deficits which are currently running at 70 billion pesos yearly.

Although the railroad system has lost much short-haul traffic to truck transport, it nevertheless remains an important part of the transport system and the most important means of moving agricultural products to ports for export.

In 1968, railways carried 480 million passengers and 19.0 million tons of freight.

Argentina is about to launch a five-year, $714.3 million renovation programme for the State railways. The World Bank has pledged its support for this programme. Although the programme is not scheduled to start until Janaury 1971, it is possible that scaled purchases of equipment will begin before then.

Highway transport is important in Argentina for both passengers and freight. The deterioration of rail and water transport, as well as the increasing availability of vehicles of national production and fuel, made highways even more important. The four

main roads constituting Argentina's portion of the Pan-American Highway were opened to traffic in 1942.

In 1968, the Argentinian merchant shipping fleet consisted of 1,676 million gross registered tons of which 0.48 million gross registered tons were tankers. According to the United Nations analysis of goods loaded and unloaded in international seaborne shipping, in Argentinian ports in 1965 the volume was 15.2 million metric tons of goods loaded and 11.1 million metric tons unloaded.

Argentina has 6,800 miles of navigable inland waterways, the principal arteries being the Parana and Paraguay Rivers. Some 80% of Argentina's river traffic moves along the Parana.

Some 81 ports, mostly fluvial and many small, are listed by the General Port Administration. The most important ports are: Buenos Aires-Doc Sud, Comodoro Rivadavia, La Plata, Rosario, Compana, San Martin-San Lorenzo, Bahia Blanca, San Fernando, San Nicolas, and Santa Fe. The River Plate ports, all in the Buenos Aires area, account for 55% of trade.

Air transport in Argentina has developed rapidly. International services connect Argentina with the rest of the world through scheduled services of the State-owned Aerolineas Argentinas and most of the important Latin American, North American and European lines.

According to the Europa Yearbook, passenger and freight carried as well as kilometres flown in Argentina, 1966-1968, were as follows:

Year	Passengers Carried ('000)		Freight Carried (tons)		Kilometres Flown ('000)	
	Argent. Airlines	Foreign Airlines	Argent. Airlines	Foreign Airlines	Argent. Airlines	Foreign Airlines
1966	1,136.4	551.4	9,426.7	13,436.6	31,209.9	6,290.3
1967	1,415.4	527.4	13,311.4	15,611.4	40,327.2	6,377.3
1968*	1,530.2	591.8	16,924.1	16,444.4	44,277.9	6,717.6

* Provisional.

c. Communications

In 1949, telephone services in Argentina were nationalized. The State-owned "Empresa National de Telecommunicaciones" (ENTEL), operates most telephone services. In 1967, there were 1.53 million telephones in use.

In 1966, the Argentinian Post Offices handled: 15.8 million domestic telegrams, received 0.77 million and sent 0.78 million foreign telegrams.

In 1967, there were an estimated 7 million radio receiving sets and 86 radio stations; 1.71 million television receiving sets. In 1965, there were 17 television stations.

7. Tourism

The principal tourist attractions (in Argentina) are the Andes mountains, the lake district of Bariloche, the Atlantic beaches, the Iguazer Falls, the Pampas and the city of Buenos Aires.

At the present, Argentina has done little to attract tourists. Argentina has many potential tourist attractions. It has an incomparable variety of natural scenery, historic heritages of Indian culture, and the advantages of having reverse seasons to both Europe and North America. While tourism accounted for 47.7% of the value of goods and services exports for Spain, it was only 2.3% for Argentina. The annual tourism statistics for 1966 show 323,159 visitors to Argentina in comparison with 15.8 million in Spain. The greater number of tourists comes (1966) from Chile - 42,869, followed by the U.S. - 30,262 and Brazil - 27,089.

Recently, the Government began to promote tourism, encouraging hotel construction by granting tax concessions (The International Tourist Hotels Act).

FOREIGN TRADE

1. The Structure of Argentinian Foreign Trade

The weakest point in Argentinian Foreign Trade is its dependency on the export of primary agricultural products. Agricultural and livestock products have accounted traditionally for more than 90% of Argentina's export earnings and probably will continue to do so for some time to come.

For this reason the Argentinian Government is endeavouring to increase the export of manufactured goods as well as of processed agricultural goods. The Government's objective is to encourage greater production and efficiency in agriculture and stock raising by giving farmers a more realistic peso return on their investment. Argentinian economic development depends largely on its ability to increase exports. As part of its combat against inflation, the present government is gradually reducing protective tariffs.

The Argentinian foreign trade and balance 1965-1969, was as follows (millions of dollars):

	1965	1966	1967	1968	1969
Exports	1,493	1,593	1,469	1,368	1,610
Imports	1,199	1,124	1,096	1,169	1,540
Balance	+294	+469	+373	+199	+70

Source: IMF International Financial Statistics

Argentinian Foreign Trade, 1966-1968, by selected countries was as follows: (million pesos)

	Imports			Exports		
	1966	1967	1968	1966	1967	1968
Austria	1,068	1,655	1,564	291	486	519
Belgium	2,464	7,427	4,294	11,130	19,410	20,990
Brazil	27,527	41,208	48,487	19,936	32,083	45,166
British Asiatic Possessions	107	170	271	113	400	365
Canada	5,898	8,613	12,231	790	1,156	1,680
Chile	6,607	12,308	17,199	11,913	24,512	27,098
Czechoslovakia	640	982	614	1,560	2,366	1,372
France	7,967	11,544	14,401	9,327	16,925	15,836
German Federal Republic	22,580	37,545	44,634	17,391	25,418	23,271
India	699	653	366	44	227	821
Italy	17,874	26,320	25,943	51,707	71,092	68,980
Japan	6,578	13,742	14,557	7,519	10,564	10,162
Kuwait	308	1,014	313	2	65	586
Netherlands	4,634	7,187	7,102	30,336	58,888	47,539
Netherlands West Indies	646	331	831	113	357	695
Paraguay	3,759	4,831	4,754	2,312	4,254	4,475
Peru	3,072	3,535	4,848	8,646	15,599	20,221
Sweden	6,849	8,233	9,032	1,111	2,030	2,603
United Kingdom	13,894	22,755	27,541	30,897	42,605	36,616
U.S.A.	54,287	80,519	94,453	24,923	38,781	55,006
U.S.S.R.	4,076	2,554	1,829	16,693	8,399	8,822
Venezuela	4,917	12,175	12,262	714	1,301	2,428

Source: The Europa Yearbook

By trade Blocs, the most important trading partner is EEC. In 1965, 40.4% of Argentinian exports went to EEC countries. However, EEC supplied (1965) only 22.6% of Argentinian imports. EEC is followed by LAFTA*, sharing 21.3% of Argentinian imports and 15.5% of Argentinian exports. The United States shares 22.8% of imports and only 6.4% of Argentinian exports.

Argentinian trade with LAFTA, 1964-1968 ($ million) was as follows:

	1964	1965	1966	1967	1968
Exports to	218.4	231.1	242.8	283.7	338.1
Imports from	155.2	220.1	199.7	253.6	275.3
Balance	+63.2	+11.0	+43.1	+30.1	+62.8

Direction of Argentinian trade with LAFTA in 1968, in percentage of total was as follows:

Exports to:	$ mn	% of total exports	Imports from:	$ mn	% of total imports
Brazil	129.1	9.5	Brazil	138.5	11.9
Chile	77.5	5.7	Chile	49.1	4.1
Peru	57.8	4.2	Venezuela	35.0	3.0
Uruguay	18.6	1.4	Peru	13.9	1.2
Bolivia	13.5	1.0	Paraguay	13.6	1.2
Paraguay	12.8	0.9	Mexico	11.2	1.0
Mexico	11.3	0.8	Colombia	5.5	0.5
Colombia	9.3	0.7	Ecuador	3.6	0.3
Venezuela	6.9	0.5	Uruguay	3.5	0.3
Ecuador	1.3	0.1	Bolivia	1.5	0.1
	338.1	24.8		275.3	23.6

*The Latin American Free Trade Area (LAFTA) includes eleven countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. Initial discussions began in 1958 between Argentina, Brazil, Chile and Uruguay with the objective of restoring earlier preference relationships between these countries that were being eroded by the reduction of import and exchange contracts. Because of GATT restrictions on limited preference arrangements, these negotiations culminated in a free-trade agreement (The Treaty of Montavideo), which was open to all Latin American countries and set, as an objective, the forming of a common market. LAFTA came into operation in 1961.

According to the original plan, every three years a common list accounting for 25% of intra-regional trade was to be agreed upon, and henceforth committed for exemption until the end of the transition period (1973), from all duties and restrictions.

The first in the scheduled negotiations of reductions succeeded only after serious difficulties in 1964. The second ended in an impasse. Other approaches to tariff reductions are also stalled.

Argentina's largest LAFTA trading partner is Brazil which purchased 38% of Argentina's exports to LAFTA. The major commodity in Argentina's sales to Brazil is wheat.

2. Analysis of Imports

The total value of imports has increased substantially. It increased from $1,199 million in 1965 to $1,540 million in 1969.

The unusually high imports are concentrated in capital, rather than consumer goods, and especially in semifinished goods and industrial raw material such as iron and steel products. Imports of raw material and intermediate goods fluctuated in line with economic activity, dropping from $823 million 1961, to $451 million in 1963, rising to $847 million in 1965, and falling to $185.6 million in 1966.

In 1969, Argentinian imports were $1,540.8 million or $371 million more than in 1968.

Argentina's major supplier is the United States. Its participation in 1968 was 23.1%, followed by Brazil (11.8%), West Germany (10.9%) and U.K. (6.7%). In 1968, Canada's share was 2.5%. The shift away from U.S. suppliers might become more pronounced in the years ahead, but since the principal credit sources such as AID and the Export-Import bank are still oriented toward U.S. purchases, the trend will probably be gradual.

Argentinian imports from LAFTA countries increased from 8.6% in 1961 to 23.6% in 1968.

Argentina's main imports are manufactured goods, chiefly metals and machinery including electrical.

Argentinian imports by selected commodities, 1967-1968 were as follows:

Imports	Volume (thousand tons)		Value (million pesos)	
	1967	1968	1967	1968
Animals and Animal Products	5,709	13,525	1,023	2,305
Vegetable Products	404,435	237,186	19,549	15,513
Animal and Vegetable Fats and Oils	3,902	5,318	579	817
Foodstuffs, Beverages and Tobacco	20,042	28,590	4,787	5,947
Mineral Products	5,785,642	5,171,286	40,106	37,380
Chemical Products	447,509	464,511	50,300	56,239
Natural and Synthetic Rubber and Plastics	60,597	61,852	14,152	14,788
Timber, Cork, Cane and Manufactures	604,927	681,601	15,960	21,942
Paper Goods	362,528	440,521	25,519	30,049
Textiles and Manufactures	33,092	50,258	7,982	11,590
Stone, Cement, Ceramic and Glassware	36,039	30,936	4,847	5,338
Metals and Manufactures	1,033,712	1,085,345	67,719	69,915
Machinery, including Electrical	67,546	85,293	71,481	95,480
Transport Material	103,278	44,811	28,942	28,246
Precision Instruments	2,298	2,464	10,020	11,345
Miscellaneous Merchandise and Products	2,667	3,350	1,484	2,323
Total	8,973,921	8,406,848	364,446	409,216

Source: The Europa Yearbook

3. Analysis of Exports

Argentinian exports consist mainly of agricultural products, principally meat, wheat, corn and wool. These items accounted for about 50% to 65% of total exports. The principal customers (1968) are Italy (14.[illegible]%), the United Kingdom (7.7%), the Netherlands (10 %), the U.S. (11.5%) and Brazil (9.5%).

Argentinian exports showed a definite upward trend in 1965-1966, as a result of the recovery of foreign markets and the policy of incentives to agriculture and the livestock sector, which accounted for more than 90% of total export earnings.

1967 saw a declining trend in Argentina's exports which continued through 1968. From $1,593 million 1966, exports in 1968 decreased to $1,368 million. The main reason for this was the setback in traditional beef exports to European markets and unfavourable weather conditions at home, as well as price conditions and competition in world grain markets.

The situation changed in 1969, because of continuing high levels of meat exports, Argentina's exports totalled $1,610 million in 1969, easily its best performance during the decade. The figure is expected to exceed $2,000 million by 1972.

Argentinian exports by selected commodities, 1967-1968, were as follows:

Exports	Volume (thousand tons)		Value (million pesos)	
	1967	1968	1967	1968
Animals and Animal Products	801,109	601,550	108,858	91,338
Vegetable Products	7,841,186	7,034,834	146,703	148,516
Animal and Vegetable Fats and Oils	507,361	348,303	32,206	24,623
Foodstuffs, Beverages and Tobacco	1,887,790	1,910,707	74,694	89,572
Mineral Products	818,432	1,308,821	4,420	6,913
Chemical Products	154,100	185,979	13,458	16,811
Natural and Synthetic Rubber and Plastics	9,404	10,687	1,329	2,320
Leather and Manufactures	208,512	213,065	26,112	26,798
Paper Goods	7,270	12,426	4,034	5,872
Textiles and Manufactures	153,483	148,122	34,980	39,912
Metals and Manufactures	109,490	256,322	5,280	11,372
Machinery, including Electrical	6,954	9,540	8,436	10,641
Transport Material	1,320	2,853	1,143	1,806
Miscellaneous Merchandise and Products	5,451	10,222	1,179	1,677
Total	12,511,772	12,053,334	462,873	478,179

Source: The Europa Yearbook

The Argentinian export targets required for the period 1970-1974 in order to achieve the increase in GNP in the national development plan are as follows:

($ million)

	1970	1971	1972	1973	1974	% increase annual	% increase cumulative
Primary products	1,053	1,110	1,165	1,230	1,295	4.5	23.0
Traditional industrial products	347	360	375	390	405	3.2	16.7
Non-Traditional industrial products	250	310	380	460	550	22.4	175.0
Total exports	1,650	1,780	1,920	2,080	2,250	7.0	40.6

Argentina has already encountered a serious problem in wheat, its chief export. There are, however, hopes for increased sales this year of corn, grain sorghums, fruit and manufactured goods. The outlook for meat sales has steadily improved. Sales prospects appear more promising in Britain, and new markets have been found in Japan, and in the near future possibly in Canada too, for cooked frozen beef.

Argentina at present is seeking a trade agreement with the European Common Market to assure stable conditions for its exports to the EEC, which already buys more than 40% of its exports annually.

In the National Development Plan, 1970-1974, top priority was assigned to export expansion, giving special emphasis to the export of manufactured goods - including processed agricultural products. Exports are projected to rise at an annual rate of 7.1%, to US$2.3 billion in 1974, i.e. 43% above the level attained in 1969. Of this some US$830 million is projected to be non-traditional manufactured goods. This expansion will be generated through new export incentives, such as tax rebates on manufactured goods, reduced export taxes on traditional exports, an improved system of export financing, a gradual reduction of protective tariffs, and other measures designed to improve the competitiveness of manufactured exports.

The Development Plan 1970-1974, recognizes that with heavy external debt repayment now soaking up about 25% of Argentina's export earnings, continuing substantial trade surpluses will be needed to avoid fresh balance-of-payments problems.

To maintain the momentum of growing non-traditional (manufactured) exports in recent years, the Government has recently (June 1970) reinstated the tax rebate programme at a 6% reduced rate.

CANADIAN TRADE WITH ARGENTINA

1. General

Canadian trade with Argentina, 1965 to June 1970 was as follows:

Year	Exports to Argentina	Imports from Argentina	Balance
	(Millions of Canadian dollars)		
1965	32.7	5.3	+27.4
1966	39.5	4.8	+34.7
1967	33.3	5.1	+28.2
1968	48.0	5.3	+42.7
1969	62.3	8.6	+53.7
1970 (Jan-May)	28.9	3.9	
1969 (Jan-May)	22.9	2.9	

Source: D.B.S.

Our exports to Argentina during the first five months in 1970 increased in comparison with the first five months in 1969, by $6.0 million. Our imports from Argentina during the same time increased only $0.1 million.

Canadian imports from Argentina have changed little in the period 1967/68. Canada continues to import canned corn beef, (1968 - $2,150,000) as the principal import item from Argentina. 40.1% of Canada's imports from Argentina are canned corn beef. Other Canadian imports from Argentina are: Cheese, fresh pears, black tea, scoured or washed wool, quebracho extract, fuel oil, card punching, sort and tab machinery and parts.

Canada is a supplier of automobile parts, newsprint, sheet or strip steel, wood pulp, and aluminum pigs and ingots.

In 1969, Canada exported $13.6 million worth of newsprint to Argentina. Parts and accessories for motor vehicles rose from $8.8 million to $12.4 million. Sheet and strip steel decreased from $6.4 million to $4.5 million. Other significant Canadian exports to Argentina 1969 are: Aluminum pigs, ingots, shot slabs, etc. $9.3 million, construction maintenance machinery and parts, $4.6 million, aircraft complete with engines, $5.5 million, wood pulp bleached sulphate paper grades, $2.4 million, asbestos milled fibres groups 4 and 5, $1.0 million.

Canada and the Argentina Republic exchange most-favoured-nation treatment on the basis of membership of both countries in GATT and under a trade agreement signed in October 2, 1941.

2. Market Possibilities for Canadian Goods and Services

Based on known expansion plans and projects there are market opportunities in Argentina for: sophisticated machinery for the textile, printing, baking, food processing, paper making, cement and steel industries; office machinery and data processing systems; electronic control equipment; scientific equipment and instruments; power generating machinery, transformers and switchgear; telecommunications equipment including radar; surgical instruments and hospital equipment; welding equipment; traffic control systems; automatic handling, sorting and packaging systems.

The new programme for Argentina envisages development of the entire industrial infrastructure of the country. This means that Argentina is looking for machinery and equipment for building roads and bridges, airports and canals; equipment for the complete rehabilitation of the railways; hydro electric stations and transmission systems; pipelines for gas and oil; improved telecommunications; and deep-water port buildings.

In 1970, the above items will absorb about $800 million. Much of this will be spent on imports but a large proportion will go to local production, which in turn will need new plants from overseas.

The railway rehabilitation programme 1971-1975 will cost about $700 million. The project includes the purchase of 500 diesel electric engines during the period, enabling the gradual replacement of steam engines and the elimination of their expensive support equipment and facilities. 125 new carriages will be bought for the commuter services and 470 for the mainline services; existing metal goods wagons will be renovated at the rate of 2,000 a year and wooden carriages will be taken out of service. About 8,000 km of track will have to be improved or relaid. It is hoped that this plan can be financed by loans from international financial entities (27%), suppliers credit (16%), loans from national institutions (5%), the National Treasury's capital contribution (42%) and net earnings from operations (10%).

The range of products manufactured in Argentina is constantly expanding. Protection of local industry rules out many exports. For this reason, where high tariff barriers make it impossible to import, it is advisable to take in consideration licensing and joint ventures.

Doing business in Argentina often requires great patience and diligent preliminary work. Opportunities of export to Argentina exist and there is much goodwill towards Canada.

In any effort to break into the Argentinian market, our exporters must be prepared to match the aggressiveness and credit conditions of the United States, as well as successfully match European and Japanese competition.

There is also a need for Canada to increase its imports from Argentina. Argentina would like to increase its exports of processed and canned beef, fresh and processed fruits and wines to Canada as well as certain manufactured products.

Ontario Exports

Ontario exports to Argentina in 1969 amounted to $32.0 million, as compared with $23.2 million in 1968, an increase of $8.8 million or 37.93%. Ontario also accounted for approximately 51.4% of total Canadian exports to Argentina in 1969, the Canadian total being $62.3 million. An analysis of Ontario exports reveals that the major increases occurred in the export of road motor vehicles and parts, which rose from $9.14 millions in 1968 to $13.4 millions in 1969; other areas of increase were: aircraft $2.5 millions in 1968 to $5.6 million in 1969 and special industry machinery from $2.6 millions in 1968 to $4.9 millions in 1969.

ARGENTINIAN ECONOMIC AND TRADE POLICY - MARKET CHARACTERISTICS

1. Planning

In 1967, Argentina initiated a major economic program. The basic objectives of the program are to eliminate the immediate causes of inflation and achieve maximum utilization of factors of production. A series of specific and inter-dependent measures in exchange, fiscal, monetary, labour and investment policies have been adopted in order to achieve these objectives. It includes devaluation of the peso from 350 to 400 per U.S. dollar, the reduction of custom duties, new taxes and increases in certain existing taxes. Measures were also adopted to improve the collection of taxes.

The results of this economic program were positive. The rate of inflation in 1968 was about 11% compared with 30% in 1966. Private consumption increased by 3.8% and cost of living is significantly improved in comparison with past years.

Voluntary price controls continued through 1969, but the Government plans to expand these to include wholesalers and some retailers this year, as well as manufacturers.

2. Foreign Trade Regulations, Tariffs and Taxes

In 1965, Argentina aligned its tariff with the Brussels tariff nomenclature. Argentine imports are subject to ad volorem duties ranging from roughly 50% on raw materials to 100% on components, and 200% on finished goods. But on many luxuries and on products competitive with local goods the duties go much higher. Argentine duties apply equally to imports from all countries with the exception of preferential rates granted to member countries of the Latin American Free Trade Association. Under LAFTA regulations, goods produced in member countries enjoy certain import privileges over those from other nations.

Despite the recent reduction in tariffs, Argentina is far from being a low-tariff country, e.g., the tariffs on machine parts are 50 to 80% ad valorem.

A prior deposit in pesos of 40% of the value of the merchandise must be posted by the importer for certain commodities. The prior deposit requirement is waived for most raw materials and products used in industry, agriculture, and mining, as well as on goods entering under a LAFTA concession.

Argentina's anti-dumping legislation allows, in some specific cases, the application of a "compensatory" tax on the imported product.

All imports must be labeled as to country of origin, contents and quality of the product. Imports of second hand equipment are tolerated.

To stimulate Argentina exports a drawback system provides rebates to exporters for duties paid on imported components of exports. The Central Bank grants financial assistance to encourage non-traditional exports by reimbursing exporters for payments of internal taxes.

The following paragraphs summarize import and exchange regulations affecting shipments to Argentina. Canadian exporters who require more detailed information or advice on documentation, should get in touch with the Latin American Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, or the Canadian Embassy in Buenos Aires.

Import Licences

Import licences are not required and except for automobiles, light tractors and some automotive products, virtually all goods may be imported. For certain commodities a prior deposit of 40% of the cif value is required at the time of making the customs entry. This deposit is held without interest for 180 days or until the goods clear customs.

Foreign Exchange

Exchange is made available through authorized banks. Payments for imports of capital goods of over US$10,000 value are subject to the approval and control of the Central Bank. On such imports, payments should not be more than 5% of the f.o.b. value upon signature of the contract, and not more than 10% plus freight, consular fees and insurance upon receipt of the shipping documents. The balance must be paid in varying terms from two to five years in equal instalments, depending on the amount of the import.

Tariff Features

Argentina is a member of GATT. Imports from Canada receive most-favoured-nation treatment. Preferential treatment is extended to certain imports from member countries of the Latin American Free Trade Association. In addition to ad valorem duties levied on the cif value, imports are subject to a statistical tax of 1.5% on dutiable imports or 0.3% on duty-free imports to a tax of 4% of the ocean freight charges. Tariff classification is based on the Brussels tariff nomenclature.

(Note: The above paragraphs on Trade Regulations are taken from 'Foreign Trade' March 15, 1969).

Argentina has recently (June 1970) introduced a simplified set of regulations governing the importation and sale of industrial goods. The new system provides a clear-cut list of tariff rates which cut across the many complex laws and decrees which exporters to Argentina previously had to contend with. It also reduces the level of protection afforded local capital goods manufacturers.

3. Marketing

Argentina has severe legislation in the field of monpolies and restraint of trade. Argentina's laws are primarily directed against hoarders of basic commodities, and are not antitrust laws as those in Europe and North America. The Government has the right to direct intervention in the management of firms whose practices abnormally and adversely affect the supply of products on the market.

In Argentina, there is special legislation penalizing or precluding the termination of agency agreements*.

> Argentina Principal-agent relation basically is governed by Civil and Commercial Codes. When the agent or distributor, whether on salary or commission, is an individual person, the relation may be also regulated by Labor Law No. 11,544 of 1952, as amended by successive laws and decrees. No choice-of-law clauses are authorized. If a contract is made abroad to avoid Argentine law, such contract is invalid in the territory of Argentina.
>
> Under the Codes, except when the relation is governed by Labor Law a principal may terminate an agency agreement at his discretion. However, the parties may be liable for damages resulting from an undue termination.
>
> Under the Labor Law, notice of termination must be served on the agent or the principal is liable for compensation on the basis of earnings or salaries that would accrue during the notice period. The amount of compensation is proportional to the duration of the agency. In all cases of discharge except for just cause,compensation amounting to one month's wages or commissions for each year of service is due. The amount of compensation may be reduced under certain conditions.
>
> Source: International Commerce, September 9, 1968

4. Licensing, Patents, Trade Marks and Design

License agreements are becoming a popular economic tool between Argentinian and foreign companies, especially those from the United States. There are no restrictions on the form of a license agreement except that it must be written. They normally include technical assistance and a continuing flow of information including improvements and additions to the patent.

In 1967,Argentina's adherence to the Paris (patent) convention became effective. Duration of patents are five, ten or fifteen years (maximum with extension). Patent must be worked within two years of granting. Duration of trade marks is ten years, renewable indefinitely. Industrial designs may be protected for up to three five-year periods.

*Agency agreement is the legal instrument by which suppliers establish commercial relations with distribution outlets abroad.

TABLE I

CANADIAN DOMESTIC EXPORTS TO ARGENTINA BY COMMODITIES

1968-1969

CLASS	COUNTRY AND COMMODITY		JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
			QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
	ARGENTINA						
110	CATTLE, DAIRY, PUREBRED	NO	14	17,506			110
119	CATTLE, PUREBRED N E S	NO	5	4,800	4	4,000	119
630	BABY CHICKS	NO	8,280	9,511			630
799	FUR-BEARING ANIMALS N E S	NO	23	3,022			799
1799	MEAT & MEAT PREPARATIONS CANNED NES	LB N	110	264			1799
5931	EGGS, HATCHING	DOZ	4,347	44,081	9,705	55,524	5931
9180	POTATOES, SEED	LB	18,123,050	432,522	14,331,680	372,880	9180
9775	PEAS, SPLIT, DRIED	LB	55,100	5,000			9775
9776	PEAS, WHOLE, DRIED	LB	242,440	24,270	74,936	6,800	9776
11049	SPICES, SPICE HERBS AND SPICE SEEDS	LB			1,488	2,018	11049
14410	GELATIN, EDIBLE	LB	2,211	8,847	2,570	14,661	14410
14610	PEANUT BUTTER	LB	46	430			14610
17340	WHISKY	P GAL	906	7,968	512	7,079	17340
17399	DISTILLED BEVERAGES AND SPIRITS NES	P GAL	1,757	4,628			17399
18350	CIGARETTES	M			549	2,746	18350
20999	CRUDE ANIMAL AND FISH PROC INED NES			2,322		3,999	20999
21103	CLOVER SEED, ALSIKE	LB	4,961	656	6,615	1,347	21103
21104	CLOVER SEED, RED, SINGLE CUT	LB	360,680	57,864	251,379	56,424	21104
21107	CLOVER SEED, SWEET	LB	916,604	98,643	392,515	57,486	21107
21109	CLOVER SEED N E S	LB	30,870	3,004	26,108	11,391	21109
21115	GRASS SEED, BROME	LB			4,410	883	21115
21121	GRASS SEEC, CRESTED WHEAT	LB	221	88			21121
21129	GRASS SEEC N E S	LB	660	465			21129
21199	SEEDS FOR SOWING N E S	LB	220	75			21199
21235	MUSTARD SEED	CWT	1,102	23,071			21235
21389	TREES, SMALL FRUIT PLANTS, STOCKS					150	21389
21979	NATURAL GUMS AND RESINS N E S	LB			100	380	21979
24689	MAN-MADE FIBRES N E S	LB	12,037	3,301			24689
24699	MAN-MADE FIBRE WASTE N E S	LB	4,392	1,186			24699
25530	NICKEL IN OXIDE	CWT	152	14,257	153	16,086	25530
25950	MOLYBDENUM IN ORES AND CONCENTRATES	CWT	12	2,420	311	67,667	25950
27120	ASBESTOS MILLED FIBRES, GROUP 3 GR.	TON	15	6,134	19	8,182	27120
27130	ASBESTOS MILLED FIBRES, GROUP 4 & 5	TON	6,057	1,104,183	5,441	1,013,159	27130

CLASS	COUNTRY AND COMMODITY		JANUARY TO DECEMBER 1968 QUANTITY	JANUARY TO DECEMBER 1968 VALUE IN DOLLARS	JANUARY TO DECEMBER 1969 QUANTITY	JANUARY TO DECEMBER 1969 VALUE IN DOLLARS	CLASS
	ARGENTINA-CON						
27140	ASBESTOS SHORTS, GROUP 6-9 GRADES	TON	5,462	366,649	4,959	353,601	27140
29199	WASTE MATERIALS N E S	CWT	11,154	128,320			29199
32099	RUBBER FABRICATED MATERIALS N E S	LB	1,654	3,416			32099
33137	LUMBER, BALSAM FIR	M B F	174	21,473	115	17,290	33137
33143	LUMBER, HEMLOCK	M B F	1,735	224,325	501	77,368	33143
34019	WOOD PULP DISSOLVNG & SPECIAL ALPHA	CWT	19,770	181,417			34019
34020	WOOD PULP BL. SULPHATE PAPER GRADES	CWT	389,169	2,202,405	403,171	2,408,678	34020
34025	WOOD PULP BL. SULPHITE PAPER GRADES	CWT	21,069	168,222	66,281	659,677	34025
34030	WOOD PULP, SULPHATE, SEMI-BLEACHED	CWT	15,422	90,464	21,784	131,036	34030
34035	WOOD PULP, SULPHATE UNBL. PAPER GR.	CWT	5,508	28,119	2,199	8,812	34035
34040	WOOD PULP, SULPHITE, UNBL. STRONG	CWT	3,284	19,200	7,709	40,545	34040
34075	WOOD PULP, MECHANICAL, UNBLEACHED	CWT	25,883	92,709	2,000	7,198	34075
35109	NEWSPRINT PAPER	CWT	1,975,433	10,725,274	2,535,060	13,632,819	35109
35149	GROUNDWOOD PRINTING PAPER N E S	CWT	2,112	13,495			35149
35199	BOOK PAPER N E S	CWT	2,660	33,429	657	9,142	35199
35970	WALLPAPER, PRINTED	CWT	426	21,328	251	12,382	35970
35999	CONVERTED PAPER N E S	CWT	36	4,268			35999
36159	YARN & THREAD, OF 1 MAN-MADE FIBRE	LB			17,968	4,843	36159
36999	CORDAGE, TWINE AND ROPE N E S	LB			468	340	36999
38176	PAPERMAKERS FELTS, TEXTILE	LB	32,344	173,268	35,389	194,580	38176
38199	SPECIAL CONSTRUCTION FABRICS N E S	LB	829	3,395	6,694	17,898	38199
38429	NARROW FABRICS	LB			1,080	2,544	38429
38999	TEXTILE FABRICATED MATERIALS N E S					479	38999
40037	SELENIUM	CWT	115	54,372	151	83,206	40037
40099	CHEMICAL ELEMENTS N E S	CWT	11,344	294,531	11,579	298,198	40099
40299	INORG. BASES & METALLIC OXIDES NES	CWT			6,400	135,143	40299
40499	METALLIC SALTS OF INORG. ACIDS NES	CWT	357	6,819	389	9,543	40499
40535	RADIOACTIVE ELEMENTS AND ISOTOPES			35,048		40,395	40535
40599	INORGANIC CHEMICALS N E S	CWT			287	11,928	40599
40819	PHENOLS, PHENOL-ALCOHOLS AND DERIV.	CWT	552	13,647	243	5,616	40819
40859	ALDEHYDE-FUNCTION COMPOUNDS	CWT	450	75,954	350	58,649	40859
41429	ALCOHOLS AND THEIR DERIVATIVES	CWT	3,474	50,176	1,326	24,329	41429
41449	ORGANIC ACIDS, ANHYDRIDES AND DERIV	CWT	6,628	83,447	4,025	62,301	41449
41459	NITROGEN-FUNCTION COMPOUNDS N E S	CWT	30	322	35	2,824	41459
41479	ORGANO-INORGANIC COMPOUNDS	CWT	33	3,225	825	14,342	41479
41499	ORGANIC CHEMICALS N E S	CWT	3,582	48,284			41499
42499	PLASTIC & SYN RUBBER NOT SHAPED NES			67,114		35,882	42499
42509	PLASTIC FILM AND SHEET	CWT	156	10,488	357	16,510	42509
42929	DYESTUFFS, PIGMENTS, LAKES & TONERS	CWT			463	9,385	42929
42999	INDUS. CHEM SPECIALTIES & EXPLOSIVE			5,403		82,937	42999
43549	COKE N E S	TON			1,646	82,838	43549
43903	LUBRICATING OILS AND GREASES	GAL	9	412			43903
44219	PIG IRON	TON	425	21,186	110	13,513	44219
44229	SPONGE IRON AND PRIMARY IRON N E S	TON	11	1,491			44229
44299	BLOOMS, BILLETS AND SLABS, STEEL	TON	22,511	1,411,821			44299
44329	IRON CASTINGS N E S	CWT	14	1,861			44329
44430	BARS, STEEL, HOT ROLLED	CWT	144	2,985			44430
44480	BARS, STEEL, COLD ROLLED	CWT	41	1,152			44480
44555	SHEET & STRIP CARB STEEL GALVANIZED	CWT			827	10,241	44555
44599	SHEET AND STRIP, STEEL N E S	CWT	530,601	6,407,675	385,506	4,540,820	44599
44899	PIPES AND TUBES, IRON AND STEEL NES	CWT	420	17,530			44899
44959	WIRE N E S	CWT			12	1,116	44959
45109	ALUMINUM PIGS INGOTS SHOT SLABS ETC	CWT	196,524	4,799,144	348,695	9,275,900	45109
45132	ALUMINUM FOIL	CWT			2	125	45132
45149	ALUMINUM FABRICATED MATERIALS N E S	CWT			27	2,030	45149
45204	COPPER, REFINERY SHAPES	CWT	2,887	141,645	4,691	235,343	45204
45215	COPPER PIPE AND TUBING	CWT	83	7,687			45215
45218	COPPER WIRE & CABLE, EXC. INSULATED	CWT	3,009	179,394	3,193	177,700	45218
45288	COPPER ALLOY WIRE & CABLE EXC INSUL	CWT			13	1,506	45288
45309	LEAD PIGS, BLOCKS AND SHOT	CWT			15,398	204,367	45309
45415	NICKEL ANODES CATHODES INGOTS RODS	CWT	4,962	527,758	2,818	442,750	45415
45499	NICKEL & ALLOY FABRICATED MAT. NES	CWT	597	60,957			45499
45708	ZINC BLOCKS, PIGS AND SLABS	CWT	82,286	875,051	68,767	687,632	45708
45749	ZINC FABRICATED MATERIALS N E S	CWT			9	814	45749
45935	COBALT	LB	3,682	7,725	881	1,754	45935
45945	MAGNESIUM			60,589		239,268	45945
45979	NON-FERROUS METALS N E S	LB	392	3,466			45979
46529	NUTS, BOLTS, SCREWS AND WASHERS	CWT	9	700	467	24,352	46529
46599	BASIC HARDWARE N E S			1,202			46599
46819	VALVES, IRON OR STEEL			232			46819
46849	VALVES N E S			1,241		1,004	46849
46975	INSULATED WIRE AND CABLE	CWT	5	711			46975
46999	METAL FABRICATED BASIC PRODUCTS NES					788	46999
47299	REFRACTORIES N E S			1,828			47299
47399	GLASS BASIC PRODUCTS N E S			917		4,885	47399
47469	ASBESTOS, ASBESTOS-CEMENT BLDG MAT.					1,421	47469
47499	ASBESTOS BASIC PRODUCTS N E S					1,261	47499
49510	HIGH TENSION INSULATORS & FITTINGS					1,424	49510
49660	HOSE AND HOSE COUPLINGS			7,041		2,123	49660
50299	ENGINES, TURBINES AND PARTS N E S			223		9,965	50299
50369	ELECTRIC MOTORS	NO			1	611	50369
50439	BEARINGS AND PARTS			10,573		25,140	50439
50499	POWER TRANSMISSON EQUIP & PTS N E S			832			50499
50739	AIR AND GAS COMPRESSORS AND PARTS					1,902	50739
50799	VACUUM PUMPS, FANS, BLOWERS & PARTS			9,312			50799

CLASS	COUNTRY AND COMMODITY		JANUARY TO DECEMBER 1968 QUANTITY	JANUARY TO DECEMBER 1968 VALUE IN DOLLARS	JANUARY TO DECEMBER 1969 QUANTITY	JANUARY TO DECEMBER 1969 VALUE IN DOLLARS	CLASS
	ARGENTINA-CON						
50901	POWER BCILERS, EQUIPMENT AND PARTS					7,571	50901
50959	INDUS. FURNACES, KILNS, OVENS & PTS			30,000		5,100	50959
50969	FCUNDRY EQUIPMENT AND PARTS N E S					26,149	50969
50980	PUMPS, PUMPING SYSTEMS AND PARTS					1,546	50980
50999	GEN. PURPOSE INDUS. MACHY & PTS NES			3,444		6,415	50999
51039	HOISTING MACHINERY AND PARTS N E S	NO		63,023	1	11,344	51039
51099	MATERIALS HANDLING EQUIP. & PTS NES					718	51099
52119	ROCK DRILLING & RELATED MACHY & PTS			76,927		19,332	52119
52139	EXCAVATING, DREDGING EQUIP. & PARTS			123,882		52,270	52139
52199	MINING-QUARRYING MACHY & PARTS NES			82,987		22,097	52199
52305	METAL GRINDING MACHINES AND PARTS	NO				780	52305
52349	WELDING APPARATUS, EQUIPMENT & PTS					2,477	52349
52396	CUTTING TOOLS FOR METALWORK. MACHY.			3,740		948	52396
52399	METALWORKING MACHY, EQUIP & PTS NES					280	52399
52414	CHAIN SAWS	NO	204	28,900	160	22,705	52414
52415	PARTS & ACCESSORIES FOR CHAIN SAWS			3,604		4,247	52415
52909	RUBBER WORKING MACHY, EQUIP & PARTS			1,107		5,225	52909
52924	SHOE-MAKING INDUSTRY MACHY & PARTS					97,860	52924
52929	CONSTRUCTICN MAINTENANCE MACHY & PT			2,568,997		4,653,004	52929
52936	CHEMICAL PHARM PROD MACHY AND PARTS					158	52936
52947	DIES AND MOULDS FOR PLASTICS MACHY			7,695		6,000	52947
52949	PLASTICS INDUSTRY MACHY & PARTS NES					6,000	52949
52959	PULP & PAPER INDUS. MACHY AND PARTS			60,094		95,992	52959
52969	PRINTING & BOOKBINDING MACHY & PTS					2,489	52969
52979	TEXTILE INDUSTRIES MACHY AND PARTS			122,410		128,449	52979
52999	SPECIAL INDUSTRY MACHY & PARTS NES			2,728		28,140	52999
54153	PARTS FCR GRAIN, COMBINATICN DRILLS			283		566	54153
54329	HAYING MACHINERY AND PARTS N E S	NO	12	14,539	28	52,308	54329
54373	PARTS FOR COMBINE REAPER-THRESHERS					465	54373
55199	TRACTORS & PARTS & ATTACHMENTS NES	NO				571	55199
58019	PASSENGER AUTOMOBILES AND CHASSIS	NC	124	331,411			58019
58110	HARDTOP SECANS, NEW	NO			41	91,545	58110
58126	SEDANS, NEW N E S	NO			101	177,734	58126
58133	STATION WAGONS, NEW	NO			1	2,200	58133
58339	TRUCKS AND CHASSIS, COMMERCIAL NES	NO	4	50,451	3	138,718	58339
58985	MOTOR VEHICLE ENGINES AND PARTS	NO		4,802			58985
58995	OTHER MCTOR VEHICLES N E S	NO	8	92,649	8	542,822	58995
58999	PARTS & ACCESS. FOR MOTOR VEH. NES			8,823,358		12,410,191	58999
59017	PLEASURE AND SPORTING CRAFT N E S	NC			6	7,400	59017
59029	MARINE ENGINES AND PARTS	NO	289	144,026	140	113,750	59029
59039	PTS & ACCESS. FOR SHIPS & BOATS NES					843	59039
60019	AIRCRAFT, CCMPLETE WITH ENGINES	NO	5	2,013,074	11	5,467,791	60019
60039	AIRCRAFT ENGINES AND PARTS	NO		291,872		72,502	60039
60099	AIRCRAFT ASSEMBLIES EQUIP & PTS NES			486,053		171,971	60099
62149	PNEUMATIC TIRES, NEW N E S	NO			1	138	62149
63419	TELEPHONE APPARATUS EQUIP AND PARTS			9,417		49,061	63419
63439	RADAR EQUIP & RELATED DEVICES & PTS					719	63439
63490	RADIO TRANSMITTING-RECEIVING UNITS					13,687	63490
63495	RADIO TV BROADCAST TRANSM EQUIP NES					130,913	63495
63499	CCMMERCIAL CCMMUNICATION EQUIP NES			36,029		13,337	63499
63790	PHONOGRAPH RECORDS AND BLANKS	NO			1,435	1,435	63790
63982	ELECTRONIC TUBES AND PARTS			5,250		20,954	63982
63984	SEMI-CONDUCTORS AND PARTS			3,795			63984
63998	CCMPCNENTS FOR CCMMUNIC. EQUIP. NES			93,131		45,503	63998
65029	WARM AIR CENTRAL HEATING EQUIPMENT			880		880	65029
65049	HEATING & FUEL BURN EQUIP & PTS NES					634	65049
68019	ELECTRIC LIGHTING FIXTURES & PARTS			12,471		60,028	68019
68028	ELECTRIC LAMPS, BULBS & TUBES & PTS			71,633		44,470	68028
68039	TRANSFORMERS AND PARTS					296	68039
68059	INDUSTRIAL CONTROL EQUIPMENT & PTS			1,059		4,857	68059
68069	WIRING CEVICES AND PARTS			2,601		324	68069
68099	ELEC EQUIP FOR INT COMBUST ENG & PT			18,799		5,129	68099
69793	BATTERIES, WET CELL AND DRY CELL	NO			1	267	69793
70009	X-RAY AND RELATED EQUIPMENT & PARTS			54,487		100,757	70009
70019	NAVIGATICN INSTRUMENTS APPAR. & PTS					2,738	70019
70029	ELECTRICITY-MEASURING INSTR & PARTS			3,988			70029
70069	MECICAL & REL. INSTR EQUIP & PT NES			4,821		2,482	70069
70079	LAB. OPTICAL INSTR. EQUIP & PTS NES			7,677		25,869	70079
70099	MEASURING & TESTING EQUIP & PTS NES			8,033		36,544	70099
74099	FURNITURE AND FIXTURES N E S					130	74099
75035	SPADES, SHOVELS & GARDEN TOOLS NES			2,031		12,075	75035
75059	HAND TOCLS N E S, INCLUDING SETS			6,391		17,408	75059
75085	RAZORS AND RAZOR BLADES					16,178	75085
77108	ACDING MACHINES AND PARTS	NO	4	10,881	30	84,750	77108
77121	CARD PUNCH SORT TAB COMPUTERS & PTS			145,681		69,582	77121
77148	TYPEWRITERS, ELECTRIC	NO	300	30,620	404	42,349	77148
77199	OFFICE MACHINES AND PARTS N E S			10,781		20,885	77199
77919	SAFETY & SANITATION EQUIPMENT & PTS					136	77919
77999	MISCELLANEOUS EQUIPMENT N E S			1,532			77999
78809	FUR GOODS, APPAREL			8,640		13,494	78809
80059	PERFUMES, TOILET PREP AND COSMETICS			5,232		14,488	80059
80069	SOAP AND DETERGENTS					2,832	80069
81029	JEWELLERY AND COSTUME JEWELLERY NES					191	81029
82019	WATCHES, WATCH MOVEMENTS & PTS NES	NO			1,710	8,051	82019
83055	DOLLS, DOLLS CLOTHING AND PARTS					884	83055

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968 QUANTITY	JANUARY TO DECEMBER 1968 VALUE IN DOLLARS	JANUARY TO DECEMBER 1969 QUANTITY	JANUARY TO DECEMBER 1969 VALUE IN DOLLARS	CLASS
	ARGENTINA-CON					
83099	SPORTING RECREATION EQUIP & PTS NES				10,400	83099
85069	TABLEWARE N E S				289	85069
86099	HOUSEHCLD & PERSONAL EQUIP & PT NES		119			86099
87019	BIOLOGICAL PRODUCTS FOR HUMANS		60,800		95,294	87019
87029	ANTIBIOTICS N E S		22,736		23,162	87029
87049	VITAMINS ANC PREPARATIONS				713	87049
87089	VETERINARY MEDICINE FEED SUPPLEMENT		19,982		17,251	87089
87099	MEDICINAL & PHARMACEUTICAL PROD NES		102,134		380,347	87099
88029	SURGICAL MEDICAL & DENTAL SUPPL NES		1,136		2,673	88029
89039	BCOKS AND PAMPHLETS		28,974		1,154	89039
89049	MAPS PICTURES GREETING CARDS MUSIC		500		855	89049
89090	ADVT. MATTER FOR FREE DISTRIBUTION		1,239		530	89090
89099	PRINTED MATTER N E S		1,194		3,004	89099
90019	STATIONERY & PAPER OFFICE SUPPL NES		15,692		1,808	90019
90029	WRITING & CRAUGHTING INSTR & PT NES				197	90029
91089	PHOTO FILM & PLATES SCLD EXPOSD NES		4,429		3,010	91089
91099	PHCTOGRAPHIC EQUIP. & SUPPLIES NES		14,936		48,467	91099
94629	WCRKS OF ART				2,122	94629
94649	ANTIQUES AND COLLECTORS ITEMS N E S		4,590		3,360	94649
94929	SIGNS AND ADVERTISING DISPLAYS NES		150		104	94929
94949	BUTTONS, NEEDLES PINS NOTICNS & PTS		488		2,159	94949
95036	SHIPPING CONTAINERS, GLASS, & PARTS				340	95036
95055	BARRELS ANC KEGS, WOODEN				5,089	95055
95066	SHIPPING CCNTAINERS WOODEN & PT NES		2,650			95066
95075	SHIPPINC CCNTAINERS, TEXTILE		240			95075
95079	SHIPPING CONTAINERS, PLASTIC & PTS		1,829		1,560	95079
95099	CCNTAINERS, CLOSURES AND PARTS NES				7,390	95099
96059	TEXTILE END PRODUCTS N E S		234			96059
96096	PLASTIC ENC PRODUCTS N E S		2,883		6,128	96096
97010	EXPORT PACKING, RE-USABLE OR UNCLAS				4,111	97010
97020	CCNTRACTORS EQUIPMENT AND TOOLS		38,839		195,721	97020
97075	SHIPMENTS OF LESS THAN $100.00 EACH		8,857		8,526	97075
	COUNTRY TOTAL		48,017,412		62,314,767	

Source: D.B.S. Trade of Canada

TABLE II

ONTARIO DOMESTIC EXPORTS TO ARGENTINA BY COMMODITIES

1968 - 1969

Value $'000

GROUP	COMMODITY	1968	1969
001	Cattle	22.3	4.0
006	Poultry	9.5	
059	Eggs & honey	44.1	55.5
144	Materials for food preparations	6.8	14.7
146	Other foods	.4	
173	Distilled alcoholic beverages	2.3	1.2
209	Other crude animal products	2.0	4.0
211	Seeds for sowing	3.1	1.5
213	Nursery & greenhouse stock		.2
255	Nickel in ores, concentrates, scrap	14.3	16.1
340	Wood pulp & similar pulp	233.2	657.3
351	Paper for printing	392.9	710.0
359	Converted paper	25.6	12.4
381	Special construction fabrics	79.7	82.3
384	Other fabrics	2.5	
402	Inorganic bases & metallic oxides		4.9
404	Metallic salts of inorganic acids	3.5	3.7
405	Other inorganic chemicals	34.0	38.6
408	Phenols, ethers, aldehydes & deriv.	76.0	50.2
414	Other organic chemicals	.3	17.2
424	Plastics & syn. rubber, not shaped	53.2	34.1
425	Plastics, basic shapes & forms	7.9	11.7
429	Indus. Chem specialties & explosive	1.2	19.9
439	Other petroleum & coal products	.4	
443	Castings & forgings	1.9	
444	Bars & rods, steel	4.1	
445	Plate, sheet & strip, steel	6,295.6	4,470.8
449	Wire & wire rope, iron & steel		1.1
452	Copper & alloys	27.7	205.8
454	Nickel & alloys	524.3	370.2
457	Zinc, including alloys		.8
459	Other non-ferrous metals & alloys	52.4	213.6
465	Bolts, nuts, etc., & basic hardware	1.9	24.4
468	Values & pipe fittings	.2	
469	Other metal fabricated basic products	.7	.8
473	Glass basic products	.9	4.9
495	Non-current-carrying wiring material		1.4
496	Other fabricated materials	7.0	2.1
502	Engines & turbines, general purpose		1.9
503	Electric generators & motors		.6
504	Mech. power tansm. equipment & bearings	9.1	24.5
507	Compressors, blowers & vacuum pumps	7.7	1.9
510	Conveying, elevating, etc. equipment	63.0	12.1
521	Drilling, mining, oil & gas machinery	206.4	65.9
523	Metalworking machinery	3.7	1.3
524	Woodworking machinery	29.4	27.0
529	Other special industry machinery	2,572.8	4,863.5
541	Soil prep., seeding & fert. machinery	.3	.6

ONTARIO DOMESTIC EXPORTS TO ARGENTINA BY COMMODITIES

1968 - 1969 Cont'd.

GROUP	COMMODITY	VALUE $'000 1968	1969
543	Haying, harvesting & related machinery	14.5	52.8
551	Tractors		.6
580	Road motor vehicles	9,140.0	
581	Passenger automobile & chassis		208.5
583	Trucks & truck chassis		138.7
589	Other vehicle, engine, parts & accessories		12,917.4
590	Ships & boats	144.0	122.0
600	Aircraft	2,498.6	5,636.1
621	Pneumatic tires, new		.1
634	Commercial & industrial communication equipment	16.3	58.5
639	Communication & rel. equipment components	101.6	59.0
650	Heating equipment	.9	.9
680	Electric lighting & control equipment	19.0	9.7
700	Measuring, laboratory, etc., equipment	78.2	157.0
740	Furniture & fixtures		.1
750	Hand tools & miscellaneous cutlery	8.4	45.3
771	Office machines & equipment	198.0	217.6
779	Miscellaneous equipment	1.5	.1
778	Miscellaneous apparel		.3
800	Toiletries, cleaning prep., etc.	5.2	14.5
810	Jewellery & silverware		.2
830	Toys, games, sport & recreation equipment		.9
850	Kitchen utensils, cutlery tableware		.3
860	Miscellaneous household & personal equipment	.1	
870	Medicinal & pharmaceutical products	69.5	104.1
880	Medical supplies, ophthalmic goods etc.	.9	2.7
890	Printed matter	7.5	4.3
900	Stationers & office supplies & material	15.7	2.0
910	Photographic goods	3.2	2.8
946	Works of art & collectors items		1.6
949	Miscellaneous end products	.5	2.2
950	Containers & closures		8.3
960	Other end products, classified by material	2.3	2.9
970	Special transactions - trade	34.3	190.8
	T O T A L	23,182.1	31,999.1

Source: Ontario Exports by Countries and Commodities 1968-1969

TABLE III

CANADIAN IMPORTS FROM ARGENTINA BY COMMODITIES 1968-1969

CLASS	COUNTRY AND COMMODITY		JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
			QUANTITY	VALUE	QUANTITY	VALUE	
				$		$	
	ARGENTINA						
999	LIVE ANIMALS N E S			919			999
1595	EXTRACTS OF MEAT, NOT CANNED	LB	27,449	59,187	152,014	119,418	1595
1703	CORNED BEEF, CANNED	LB N	5,181,104	2,149,666	8,636,657	3,565,686	1703
1709	BEEF AND VEAL, CANNED N E S	LB N	125,398	56,910	155,388	70,294	1709
1799	MEAT & MEAT PREPARATIONS CANNED NES	LB N	73,539	20,823	20,575	10,283	1799
3069	SEA FISH, FRESH OR FROZEN N E S	CWT	263	6,551			3069
5149	CHEESE N E S	CWT	3,357	146,688	8,603	301,796	5149
5509	HONEY	LB	282,425	35,131	132,277	15,080	5509
7103	APPLES AND CRAB-APPLES, FRESH	LB			260,645	19,435	7103
7112	CHERRIES, FRESH	LB			2,623	1,477	7112
7118	GRAPES, FRESH	LB	72,432	12,797			7118
7136	NECTARINES, FRESH	LB			5,166	1,435	7136
7145	PEARS, FRESH	LB	726,707	134,823	700,203	97,431	7145
7151	PLUMS, FRESH	LB			23,242	6,540	7151
7303	APPLES, DRIED	LB	40,040	10,771	23,000	10,650	7303
7351	PRUNES OR PLUMS, DRIED	LB			36,418	6,296	7351
7899	FRUITS AND PRODUCTS, CANNED N E S	LB			180,000	44,871	7899
9199	VEGETABLES, FRESH OR CHILLED N E S	LB	2,870	1,445	6,098	2,149	9199
9312	BEANS, DRIED N E S	LB	21,996	2,615	82,412	7,696	9312
10449	SUGAR CANDY N E S	LB			65,979	19,560	10449
11310	TEA, BLACK	LB	1,107,037	344,876	904,316	260,544	11310
11499	SPICES, SPICE HERBS SPICE SEEDS NES	LB	2,103	555	2,000	591	11499
14159	SOUPS, SOUP MIXES AND BASES N E S	LB N	79,944	11,469	125,364	58,394	14159
14399	PRE-COOKED FROZEN FOOD PREP. N E S	LB			2,010,430	1,258,458	14399
14699	FOOD PREPARATIONS N E S	LB			3,638	589	14699
15799	FEED CONC. AND COMPLETE FEEDS N E S	CWT			509	8,251	15799
17239	GRAPE WINES, STILL, TABLE STRENGTH	GAL	800	2,580	3,300	8,825	17239

CLASS	COUNTRY AND COMMODITY		JANUARY TO DECEMBER 1968 QUANTITY	JANUARY TO DECEMBER 1968 VALUE	JANUARY TO DECEMBER 1969 QUANTITY	JANUARY TO DECEMBER 1969 VALUE	CLASS
				$		$	
	ARGENTINA CON						
20110	CATTLE HIDES, RAW	NO	1,086	6,296			20110
20160	SHEEP AND LAMB SKINS, RAW N E S	NO	3,000	4,342			20160
20199	HIDES AND SKINS, RAW N E S			675			20199
20220	FUR SKINS, FOX	NO	40,309	98,505	63,111	254,664	20220
20254	FUR SKINS, PERSIAN LAMB	NO			575	1,374	20254
20260	FUR SKINS, RACCOON	NO			500	3,225	20260
20269	FUR SKINS, SHEEP AND LAMB N E S	NO	42,641	61,259	45,982	67,184	20269
20289	FUR SKINS, UNDRESSED N E S	NO	1,075	6,996	22,582	154,070	20289
20549	ANIMAL BRISTLES AND HUMAN HAIR	LB			190	796	20549
20910	CASEIN	CWT	2,422	58,467			20910
20976	ANIMAL MATERIALS USED IN MFRG DRUGS			11,583		37,485	20976
21101	ALFALFA SEED	LB	33,000	7,918			21101
21129	GRASS SEED N E S	LB	77,249	8,032			21129
21950	BROOM CORN	CWT	1,807	35,825	2,082	32,561	21950
24209	WOOL IN THE GREASE	LB	58,394	28,919	74,865	48,654	24209
24219	WOOL, SCOURED OR WASHED	LB	409,684	220,257	347,470	210,478	24219
24229	WOOL, PULLED OR SLIPED	LB	2,296	1,699	3,847	1,566	24229
24249	WOOL NOILS	LB			8,448	3,815	24249
24320	HORSE HAIR	LB	3,011	3,919	1,169	2,482	24320
24430	COTTON LINTERS AND CARDED SLIVER	LB	440,530	24,151			24430
29119	TEXTILE RAGS N E S	CWT	93	3,315			29119
30199	UPPER LEATHER N E S	SQ FT	15,706	5,344	1,360	272	30199
30460	GLOVE & GARMENT LEATHER, SHEEP LAMB	SQ FT			81,882	39,231	30460
30499	GLOVE AND GARMENT LEATHER N E S	SQ FT			1,340	1,772	30499
30670	UPHOLSTERY LEATHER	SQ FT			4,713	2,592	30670
30699	LEATHER N E S	SQ FT	10,000	3,348	874	1,432	30699
31069	FURS, DRESSED, SHEEP AND LAMB			11,597		20,458	31069
31089	FURS, DRESSED N E S			1,072		22,293	31089
31099	FUR PLATES MATS ETC DRESSED OR DYED			816			31099
37203	WOOLLEN FABRICS ALL WOOL 12 OZ & OV	LB			2,950	5,493	37203
37208	WOOLLEN FAB ALL WOOL 9 OZ AND LESS	LB			1,616	3,147	37208
37313	DRILL TWILL WARP SATEEN COTTON UNBL	LB	6,912	3,783	23,199	14,119	37313
39312	CHINAWOOD OIL OR TUNG OIL	CWT	4,392	60,723	1,886	33,660	39312
39620	QUEBRACHO EXTRACT	LB	4,145,768	379,151	2,990,879	332,701	39620
40984	TARTARIC ACID	CWT	110	3,688	968	49,461	40984
43259	FUEL OIL N E S, HEAVY OIL	GAL	16,545,842	806,145	5,006,324	239,467	43259
43530	PETROLEUM COKE AND PITCH COKE	TON			53,244	563,809	43530
49615	BRISTLES ANIMAL HORSEHAIR PROCESSED			947			49615
50850	PUMPS, POWER N E S	NO			3	1,459	50850
50919	PACKAGING MACHINERY AND PARTS N E S			5,840			50919
52936	CHEMICAL PHARM PROD MACHY & PTS NES			2,468		806	52936
52947	DIES AND MOULDS FOR PLASTICS MACHY.					1,214	52947
60599	AIRCRAFT ASSEMBLIES EQUIPMENT & PTS					4,578	60599
63495	RADIO TV BROADCAST TRANSM EQUIP NES					8,783	63495
63816	ELECTRONIC RECEIVING TUBES	NO			6,200	4,743	63816
63819	ELECTRONIC TUBES N E S	NO	2,200	2,365	1,610	2,426	63819
70890	SCALES AND BALANCES AND PARTS N E S	NO	2	1,076			70890
77120	CARD PUNCHING, SORT & TAB MACH & PT			354,389		184,394	77120
77122	ELECTRONIC COMPUTERS AND PARTS			25,083		7,703	77122
77136	DICTATING, TRANSCRIBING MACH & PTS	NO			1	575	77136
78680	GLOVES AND MITTENS, LEATHER	DZ PR			11	228	78680
78685	GLOVES, RUBBER	DZ PR			260	488	78685
78809	FUR GOODS, APPAREL	NO			1	648	78809
78952	WOMENS HANDBAGS AND PURSES	DOZ	175	2,479	12	391	78952
78999	APPAREL ACCESSORIES N E S					866	78999
79099	FOOTWEAR N E S	PAIR	114	960			79099
81027	COSTUME JEWELLERY N E S			1,000			81027
82089	SPECIAL TIME RECORDERS AND PARTS	NO	80	9,515			82089
83289	SPORTING RECREATION EQUIP & PTS NES			820			83289
86499	LUGGAGE N E S					829	86499
86730	ART AND DECORATIVE WARE, GLASS					559	86730
86732	ART AND DECORATIVE WARE N E S			539			86732
87999	MEDICINAL & PHARMACEUTICAL PROD NES			1,153		6,030	87999
89341	BOOKS AND PAMPHLETS NES EXC ENGLISH					707	89341
89349	BOOKS AND PAMPHLETS N E S			629		1,122	89349
89599	PRINTED MATTER N E S					709	89599
91813	MOTION PICTURE FILM, SOLD, EXPOSED	FT			18,793	2,335	91813
93012	PISTOLS & REVOLVERS, NON-MILITARY	NO			40	497	93012
94608	PAINTINGS AND PASTELS, MADE BY HAND	NO	21	2,175	2	850	94608
94620	SCULPTURES AND STATUES, ORIGINAL	NO			2	2,621	94620
94630	ANTIQUES AT LEAST 100 YEARS OLD NES			31,579			94630
94640	COLLECTIONS & COLLECTORS ITEMS NES			1,548		1,613	94640
95019	BARRELS DRUMS CASINGS, METAL, & PTS	NO	375	1,875			95019
96104	SADDLERY, HARNESS, WHIPS AND PARTS			23,813		54,371	96104
97010	IMPORT PACKING, RE-USABLE NOT DESCR			13,327		60,249	97010
97030	GOODS RETURNED WITHIN FIVE YEARS			7,976		232,032	97030
97075	SHIPMENTS OF LESS THAN $200.00 EACH			11,235		16,308	97075
			-	5,358,422		8,644,144	

Source: D.B.S. Trade of Canada

TABLE IV

Imports of Argentina by Countries
Value in Thousands of U.S. Dollars

Countries	1968
Algeria	101.5
Congo Kuishasa	1.3
Ghana	3237.3
Ethiopia	1.6
Kenya	147.2
Moracco	81.4
Nigeria	2.0
Sudau	9.5
Tanzania	31.1
Uganda	8.6
Republic of South Africa	3126.5
Zambia	842.6
Portuguese Possession	1.0
Barbadoes	1.4
Bolina	1368.7
Brazil	138535.2
Canada	34945.6
Columbia	5450.8
Costra Rica	.9
Chile	4914016
Ecuador	3583.8
El Salvador	4.3
United States	269867.1
Guyana	324.8
Haiti	3.0
Jamaica	23.8
Mixico	11222.4
Nicaragua	3.8
Panama	2501.2
Paraguay	13582.1
Peru	13852.1
Puerto Rico	35.2
Trinidad-Tobago	249.5
Uraguay	3491.9
Venezuela	35034.4
British Possession	60.9
Dutch Possession	2373.6
North America Possession	4752.2
Saudi Arabia	4483.9
Ceylon	164.3
Korea, Rep. of	1.6
Peoples Rep. China	277.8
Cyprus	1.1
Philippines	59.8
Taiwan	1.8
India	1047.0
Indonesia	3.3
Iraq	619.0
Iran	3.1
Isreal	352.0
Japan	41591.5
Qatar	4901.6
Kuwait	893.8
Lebanon	.8
Malaysia, Fed. of	7559.8

Imports of Argentina (continued)
Value in Thousands of U.S.Dollars

Countries	1968
Oman	12884.6
Pakistan	3050.9
Singapore	6011.2
Thailand	41.0
Turkey	182.8
British Possession	774.3
Germany, Fed. Rep. of	127526.8
Austria	4468.0
Belgium	12268.7
Bulgaria	41.1
Czechoslovakia	1753.3
Denmark	1964.3
Spain	17211.9
Finland	22199.2
France	41146.1
Greece	1354.4
Hungary	851.5
Ireland	858.2
Iceland	2.4
Italy	74121.9
Liechtenstein	1.7
Luxembourg	316.5
Monaco	7.3
Norway	10161.2
Netherlands	20292.5
Poland	3633.0
Portugal	1364.8
United Kingdom	78689.1
Rumania	2134.8
Sweden	25805.9
Switzerland	31311.9
Yugoslavia	297.2
Australia	1174.0
New Zealand	45.4
Total Imports	1,169,188.7

Source: Argentina Yearbook 1968